

DEPARTMENT OF HEALTH SERVICES

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December 1, 1995

TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons

Letter No.: 95-76

PROOF OF MEDI-CAL ELIGIBILITY AND THE PROVIDER'S RESPONSIBILITY

The purpose of this letter is to clarify the Department of Health Services' (Department) policy regarding a provider's use of the Medi-Cal eligibility verification process and the provider's subsequent obligation to render services in accordance with Medi-Cal program requirements.

Using the Benefits Identification Card (BIC), a provider may use several access methods to verify Medi-Cal eligibility. These include using the on-line Point of Service device, Claims and Eligibility Real-Time System, and telephone Automated Eligibility Verifications System. Under state law, when a provider elects to verify eligibility by using the BIC, (or takes a label or photocopy of a paper identification card), the provider has obtained proof of eligibility and thus has agreed to accept the patient as a Medi-Cal patient and be bound by the rules and regulations of the Medi-Cal program.

If the eligibility verification indicates that the beneficiary is eligible to receive the provider's services, the provider cannot then treat the beneficiary as a private pay patient because the provider is unwilling to bill the patient's insurance, obtain a Treatment Authorization Request or comply with any other program requirement. In addition, having obtained eligibility verification, the provider cannot bill the beneficiary for all or part of the charge of a Medi-Cal covered service except to collect the Medi-Cal copayment or share of cost. This means Medi-Cal providers may not bill the beneficiary for private insurance cost sharing amounts: deductibles, coinsurance, or copayments.

There are situations when the provider may decline to treat the beneficiary as a Medi-Cal patient after requesting eligibility verification. These situations include:

1. The beneficiary has refused to pay or obligate to pay the required share of cost.
2. The beneficiary has only limited Medi-Cal benefits, preventing the provider from rendering services (e.g. is eligible for pregnancy-related services only).

3. The beneficiary must receive services from a designated health plan either because the beneficiary is enrolled in a Medi-Cal Managed Care Plan or has private insurance through a Health Maintenance Organization or exclusive provider network, and the provider is not a member provider of the health plan.
4. The provider cannot provide the particular services the beneficiary requires.
5. The beneficiary is not eligible for Medi-Cal.
6. The beneficiary is unable to present corroborating identification to verify that he/she is the individual to whom the Benefits Identification Card was issued.

A provider may decline to accept Medi-Cal patients, but must do so before accessing eligibility information, except in the situations noted above. If a provider is unwilling to accept the beneficiary as a Medi-Cal patient, the provider has no authority to access confidential eligibility information.

In addition, a provider cannot treat beneficiaries eligible for both Medicare and Medi-Cal as if they were eligible only for Medicare, thereby making the beneficiaries obligated to pay deductibles and coinsurance. In a 1983, United States District Court decision, Samuel v. California Department of Health Services, the court held that because the Department pays the Medicare premium for Medi-Cal beneficiaries, the provider must accept the Medicare eligible's Medi-Cal eligibility. They cannot bill the beneficiary for the Medicare coinsurance and deductible amounts since state law precludes providers from seeking reimbursement from the beneficiary.

If a beneficiary is being billed for Medi-Cal covered services, the beneficiary should contact Electronic Data Systems' Beneficiary Billing Unit at (916) 636-1980 for assistance.

If you have any questions, please call Ms. Susan Shafer of the Third Party Liability Branch at (916) 323-1974.

Sincerely,

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Frank S. Martucci, Chief
Medi-Cal Eligibility Branch